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11. (U) Mission Nigeria provides the following compilation of recent political, economic, and social developments not previously reported.

SGF PRAISES DELTA AMNESTY

12. (SBU) Permanent Secretary Ambassador Chike Alex Angigbo, speaking on behalf of his boss, Secretary to the Government of the Federation Alhaji Yayale Ahmed, praised President's Yar'Adua's action on Niger Delta amnesty during a November 25 stakeholders' roundtable on "Enhancing Positive Engagement of Non-State Actors," sponsored jointly by Presidential Special Advisor on Relations with Civil Society and the European Union (EU). He declared that "militants can turn their lives around and become fruitful to society." Referring to his own experience, he said, "I used to fight the GON, but today I am serving at the highest position in the GON." The speaker asserted that, since amnesty began, crude oil production has increased.

GON CONSIDERS CLOSING DIPLOMATIC MISSIONS

13. (U) Presidential Advisory Council on International Relations Chairman Chief Emeka Anyaoku recently announced that the Nigerian Government (GON) plans to close ten diplomatic missions due to inadequate funding. Various observers, including editorial writer Akinterinwa in the November 29 edition of "This Day," criticized the plan, arguing that "diplomatic reductionism" could seriously undermine Nigeria's long term foreign policy interests. He noted that closing ten missions, which would only save about 20 million dollars, would be inconsistent with Nigeria's declared commitment to raising African cooperation and assistance, undermine Nigeria's ability to engage in global politics, and narrow career opportunities for Nigerian Foreign Service Officers.

NIGERIA LAGS IN POINT OF SALE TRANSACTIONS

14. (U) Interswitch Nigeria CEO Mitchell Elegbe said at the December 1 Lagos Business School monthly meeting that 1.2 billion naira (about \$8 million) worth of e-payment transactions have so far taken place in 2009. Automated Teller Machine (ATM) transactions account for 80 percent of

these transactions, while on-line and point of sale (POS) terminal business make up 20 percent. He said Nigeria only has 10,000 ATMs and opined that the recent directive by the Central Bank of Nigeria for banks to stop deploying ATMs outside bank premises will further impede the already slow growth of ATMs, first introduced in Nigeria in 2002. Many bank customers restrict use of ATM cards, though convenient, because of rampant e-payment fraud. Nigeria has 27 switching companies mostly focused on banking solutions. Merchants restrict the use of POS devices because they do not want to miss out on the "tips" they receive when a customer pays cash and the merchant appears not to have change -- a common occurrence in Nigeria. With POS, only the exact amount is transmitted, omitting any "tip." Elegbe said Interswitch plans to expand its payments solutions to other sectors, such as transportation (toll fees), health, and education.

DELTA AIRLINES CODE-SHARES WITH NIGERIAN EAGLE

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15. (U) Local media reported on December 1 that Delta airlines entered into a code sharing arrangement with Nigerian Eagle (formerly called Virgin Nigeria) in response to Arik's new service from Lagos to New York. Flights from Atlanta to Lagos and New York to Abuja will link up with regional Nigerian Eagle flights. According to local press, Nigerian Eagle also announced a code-sharing arrangement with Ethiopian Airlines.

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REAL ESTATE PRICES DROP IN LAGOS, RISE IN ABUJA

16. (U) Real estate prices dropped an average of 17 percent on both Ikoyi and Victoria Islands during 2009. Luxury apartment rents decreased 17 percent, while detached housing decreased 40 percent, according to a local financial analyst. A housing deficit of 16 million units exists, mostly for the middle- and lower-middle class. Most, if not all, new construction on Ikoyi and Victoria Islands involve luxury and upscale accommodations. Infrastructure limitations, especially roads and essential public works, and mortgage reform remain key obstacles to meeting this deficit. Industry observers expect the sector to rebound in 2010. In contrast, according to local press, the cost of housing in the Federal Capital Territory continues to rise. House hunters say properties are available, but the high costs and the expectation to pay the rent for two years up-front pose major deterrents.

AFRICA FINANCE CORPORATION FACELIFT

17. (U) Africa Finance Corporation (AFC) announced November 30 that Adebayo Ogunlesi has been appointed its new chairman, replacing former Central Bank of Nigeria (CBN) Governor Charles Soludo. As a former Credit Suisse Investment Banking Division Executive Vice Chairman, Ogunlesi was an attorney with a New York law firm and served as a law clerk to U.S. Supreme Court Associate Justice Thurgood Marshall from 1980 to 1981. Industry watchers see the AFC's choice of Ogunlesi as an attempt to improve its image as a multilateral finance institution. The AFC has suffered controversies, including its establishment through unauthorized funds during CBN Governor Soludo's tenure as governor, loss of board members during the August 14 CBN sacking of five bank Chief Executive Officers, and its listing among Oceanic Bank loan defaulters.

CLIMATE CHANGE AWARENESS

¶18. (U) The West Africa Women's Association (WAWA) Nigeria Chapter held a conference in Abuja November 23 to 24 about the effects of climate change on women's health. Conference organizers sought to increase awareness, build capacity, and mobilize women from the region on socio-economic issues that affect African women and children. WAWA representative Dr. Beatrice Ubeku described the effects of climate change on women in developing countries as overwhelming, citing heat waves, clean water shortages, and food scarcity as the most devastating problems. Ubeku emphasized that African women needed education about desertification and encouragement to use alternative energy sources. During the conference, participants announced that the GON recently approved a clean development mechanism called the "Save-80 Wood Stove" as part of GON efforts to provide alternative energy sources to prevent deforestation. WAWA proposed that the GON enhance its efforts to inform women about climate change, improve the quality of information available on climate change, and implement stiffer penalties on gas flaring and other environmental hazards that pose health risks to women and children.

A CALM DELTA INCREASES ELECTRICITY

¶19. (U) Less strife in the oil-rich Niger Delta and the
Q9. (U) Less strife in the oil-rich Niger Delta and the resulting increase of oil and gas supplies to power plants have increased Nigeria's electricity supply. National power supply rose from 1,400 megawatts (MW) in July to about 3,330 MW in December. However, while relative calm prevailed in the Delta, Nigeria's plan to increase power supply to 6,000 MW by year's end is still constrained by the lack of a policy, regulatory, and tariff regime that would promote private investments. To overcome barriers to private sector investments in power, USAID launched the Nigerian Energy and Climate Change project (NECC) and will hold a two-day workshop to "Overcome Barriers to Independent Power Production." USAID is also working with other donors including the United Nations, World Bank, Japan, Sweden,

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Britain, Spain, and France to develop a plan outlining the elements and timing of an effective donor package for the ongoing peace process in the Niger Delta.

IBORI GETS ANOTHER DELAY

¶10. (U) Federal High Court Judge Marcel Awokulehin in Asaba, Delta State, again deferred (for the fourth time) a decision December 4 in the prosecution by the Economic and Financial Crimes Commission of former Delta State Governor James Ibori and associates on 170 counts of money laundering. The local press quoted the judge as indicating that he wanted to "err on the side of caution," apparently referring to multiple petitions filed against him. Ibori's lawyers had sought to claim that the EFCC had not established a "prima facie" case against him.

¶11. (U) Embassy Abuja and ConGen Lagos collaborated on this telegram.

SANDERS